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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

1998 Biennial Regulatory Review –
Review of ARMIS Reporting Requirements

CC Docket No. 98–117

**REPLY COMMENTS
of the
GENERAL SERVICES ADMINISTRATION**

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September 4, 1998

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Table of Contents

Page No.

I.	INTRODUCTION.....	1
II.	CARRIERS DO NOT DISPUTE THE BENEFITS OF MAKING ARMIS DATA AVAILABLE ON THE INTERNET.....	2
III.	THE COMMISSION SHOULD CONTINUE TO OBTAIN DETAILED ARMIS DATA FROM THE LARGEST LOCAL EXCHANGE CARRIERS.....	3
IV.	CONCLUSION	5

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The General Services Administration ("GSA") submits these Reply Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Commission's Notice of Proposed Rulemaking ("NPRM") released on July 17, 1998. In the NPRM, the Commission seeks comments and replies on changes to the reporting requirements of the Automated Reporting Management Information System ("ARMIS"). This proceeding is pursuant to the mandate for a biennial review of the Commission's regulations in view of the current state of competition for telecommunications services.

I. INTRODUCTION

The NPRM contains a number of proposals concerning the Commission's ARMIS reporting requirements. The objectives of these proposals are to explore opportunities to minimize the reporting burdens on carriers, to improve the quality and utility of reported information, and to reduce the Commission's costs for collection, verification, and distribution of data.

In Comments filed on August 20, 1998, GSA commented on two of the proposals discussed in the NPRM. First, GSA addressed the proposal to require that ARMIS information be made available to the public in electronic form. Second, GSA addressed the need to continue the more extensive Class A reporting requirements for incumbent local exchange carriers ("ILECs") with annual revenues in excess of \$7 billion.

Comments in this proceeding were also filed by:

- The United States Telephone Association ("USTA"), the Independent Telephone and Telecommunications Alliance ("ITTA") and ten individual ILECs;
- AT&T Corp. ("AT&T"); and
- MCI Telecommunications Corporation ("MCI")

In these Reply Comments, GSA responds to the positions advanced by these parties.

II. CARRIERS DO NOT DISPUTE THE BENEFITS OF MAKING ARMIS DATA AVAILABLE ON THE INTERNET.

As major end users of interexchange and local exchange services throughout the nation, the FEAs have found that the information contained in the ARMIS reports is extremely valuable when participating in proceedings before the Commission as well as state regulatory bodies. Because of the importance of convenient access to this information, GSA concurred with the Commission's tentative conclusion that it should ensure the efficient availability of ARMIS data by arranging for it to be made available on the Internet.

None of the parties filing comments disputed the advantages of Internet access in comparison with "paper filings." While ILECs generally claim that ARMIS reporting is

not necessary at all, they acknowledge that electronic access is preferable to handling "hard copies" of "paper filings."¹ For example, US WEST states that "[t]he transition to an electronic-only reporting system can *potentially* result in significant cost savings for all LECs that file ARMIS reports."² USTA estimates a savings of approximately \$150,000 annually.³

As GSA explained in its Comments, electronic access to ARMIS data is preferable for end users.⁴ GSA urges the Commission to require that ARMIS data be made available to end users and all other carriers on the Commission's web site.

III. THE COMMISSION SHOULD CONTINUE TO OBTAIN DETAILED ARMIS DATA FROM THE LARGEST LOCAL EXCHANGE CARRIERS.

As discussed in the NPRM, the Commission proposes to retain the existing level of detail for ARMIS reporting by ILECs with more than \$7 billion in annual revenues.⁵ These carriers collectively compose about 90 percent of the local exchange industry, as measured by total operating revenues.⁶

In its Comments, GSA explained that it concurred with the Commission's conclusion that Class A reporting detail should still be required for the largest ILECs.⁷

¹ See, e.g., Comments of Ameritech, p. 4; GTE, p. 2; Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell ("SBC LECs") p. 3; Cincinnati Bell Telephone Company ("CBT"), p. 3.

² Comments of US WEST, Inc. ("US West"), page 3, (*italics in original.*)

³ Comments of USTA, p. 6.

⁴ Comments of GSA, page 2

⁵ NPRM, para. 13.

⁶ *Id.*, para. 7.

⁷ Comments of GSA, pp. 3-4.

Stringent accounting safeguards must be maintained for the largest ILECs as long as they retain significant power in the local exchange and access markets.⁸

In their comments in this proceeding, the large ILECs propose to reduce their reporting obligations, or even to virtually eliminate them. GSA strongly disagrees. In its Reply Comments in CC Docket No. 98-81, also submitted on the current date, GSA explains in detail why it is necessary to continue to obtain complete accounting data for the largest ILECs.⁹ The requirements for accounting data set forth in those Reply Comments are equally applicable to the need to continue ARMIS reporting requirements for the largest ILECs in the instant proceeding. MCI stated:

Given the continued importance of accounting costs, the original mission of the ARMIS reports – “to facilitate the timely and efficient analysis of revenue requirements and rates of return, to provide an improved basis for audit and other oversight functions, and to enhance [the Commission’s] ability to quantify the effects of alternative policy proposals” – is still valid.¹⁰

AT&T agrees and states: “there is no basis for disturbing the Commission’s finding that ARMIS reports at the Class A level of account detail remain useful and necessary tools to safeguard consumer interests.”¹¹

GSA urges the Commission to continue the accounting safeguards it has in place with respect to ARMIS reporting.

⁸ Id., page 4.

⁹ CC Docket No. 98-81 and ASD File No. 98-64, *In the Matter of 1998 Biennial Regulatory Review – Review of Accounting and Cost Allocation Requirements and United State Telephone Association Petition for Rulemaking*, Reply Comments of GSA, September 4, 1998.

¹⁰ Comments of MCI, pp. 5-6 (footnote deleted).

¹¹ Comments of AT&T, p. 7.

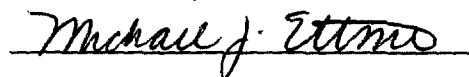
IV. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to adopt and implement ARMIS reporting procedures as discussed in these Reply Comments.

Respectfully submitted,

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